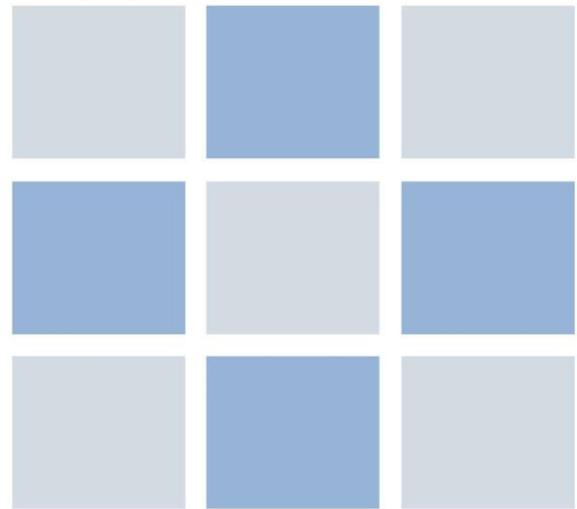


Hometown

Health

Centers



## **8 Elements of an Effective Compliance Program**

**CORPORATE ETHICS AND COMPLIANCE MANUAL**

**2018-2019**

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January 2018

Dear Hometown Health Team:

At all times staff and the Board of Directors must be vigilant in pursuing ethics and compliance. Fraud, waste, and abuse are a detriment to patient-consumer care, the sound stewardship of resources, and the values and mission of Hometown Health Centers.

The Board of Directors, Chief Executive Officer, and Hometown's Chief Ethics and Compliance Officer share this revised manual to underscore the organization's commitment to identify risk areas, wisely use resources, obey state and federal laws, continually apply quality improvement measures, and implement corrective actions when appropriate.

Hometown's Ethics and Compliance Program is modeled after the 8 elements identified by the New York State's Office of Medicaid Inspector General for an effective compliance program. It also attempts to address concerns as outlined in the Deficit Reduction Act (DRA), the Patient Protection and Affordable Care Act (ACA), and the Delivery System Reform Incentive Payment (DSRIP) Program.

As a valued member of this organization you have an important role in effective, ongoing compliance. Together we will provide the highest medical care for our patient consumers while being careful in the use of all resources. This document is a work in progress because identifying and applying best practices does not stop. It also is your guide as an individual professional and member of the Team.

Please refer to this manual regularly, offer suggestions, and talk with the Chief Ethics and Compliance Officer to help Hometown Health Centers fulfill its mission and live its values with integrity and excellence.

Sincerely,

William Faubion,  
Board Chair

Joseph Gambino,  
Chief Executive Officer

Paul P. Jesepe, JD, MPS, MA  
Chief Ethics and Compliance Officer

## Executive Summary

### **HHC's Compliance Program is necessary because it:**

- Protects patient privacy;
- Nurtures an ethical culture;
- Prevents conflicts of interest;
- Ensures proper credentialing;
- Promotes Quality Assurance;
- Requires staff and Board participation;
- Furthers accurate billing and coding;
- Assists in obeying state and federal laws;
- Maintains and promotes high quality care;
- Defines, identifies and prevents fraud, waste, and abuse; and
- Strives to promote the use of best practices in management and board governance.

### **HHC's Compliance Program applies to:**

- Vendors;
- Contractors;
- Consultants;
- Supervisors;
- Department heads;
- Board of Directors;
- *All staff* no matter the title or position; and
- Delivery System Reform Incentive Payment (DSRIP) Program.

### **What you *must* do:**

- Act fairly;
- Act ethically;
- Act honestly;
- Act as a team;
- Report a conflict of interest that you may have;
- Treat patients and one another with respect at all times;
- Identify ways to do things better in your department and take action;
- Suggest ideas to your supervisor or the Corporate Ethics and Compliance Officer to better use resources;
- Report problems immediately to your supervisor or directly to the Corporate Ethics and Compliance Officer; and
- Remind your team at meetings it must do regular risk assessments.

## ***Compliance requires everyone to be involved. It is a team effort.***

### **I. Ethics and Compliance Introduction**

**All staff, vendors, consultants, and Board Members are bound by HHC's Compliance Program and Code of Conduct.**

Hometown Health operates two federally qualified health centers (FQHC) to serve its customers. The federal designation comes with much responsibility fulfilled, in part, by having an effective Ethics and Compliance Program. The Program is reviewed and adopted by the Board of Directors on an annual basis.

Absence of an effective compliance strategy causes unnecessary abuses jeopardizing patient care and privacy while wasting resources and potentially defrauding the government. Very stiff fines are assessed against organizations and healthcare providers found in violation of state and federal law. Penalties include criminal proceedings, significant fines in the tens of thousands of dollars, and potentially the loss by providers of their ability to bill for services under Medicare and Medicaid.

Several important state and federal laws include:

- Federal False Claims Act (31 USC §§ 3729-3733)
- Federal Anti-Kickback Statute (42 USC § 1320a-7b(b))
- Federal Physician Self-Referral Law (42 USC §1395nn)
- Federal Exclusion Statute (42 USC §1320a-7)
- Federal Deficit Reduction Act (42 USC §1396a(a)(68))
- Federal Patient Protection and Affordable Care Act (42 USC §18001)<sup>1</sup>
  
- New York False Claims Act (State Finance Law §§ 187-194)
- New York Social Services Law (§ 145-b – False Statements)
- New York Social Services Law (§ 145-c, 366-b – Penalties, Sanctions)
- New York Penal Law Article 175 (False Written Statements)
- New York Penal Law Article 176 (Insurance Fraud)
- New York Penal Law Article 177 (Healthcare Fraud)
- Part 521, Title 18, of the New York State Codes, Rules, and Regulations

State and federal laws also come with non-intimidation and non-retaliation (whistle blower) protections. This means you cannot be harassed for wanting to report a problem. Nor can you be fired after you report one.

There are 800 numbers you may call at the State and Federal offices of the Medicaid Inspector Generals to report issues of harassment or intimidation for reporting a problem.

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<sup>1</sup> Providers are required to read within ten business days of starting employment *A Road Map for New Physicians Avoiding Medicare and Medicaid Fraud and Abuse* issued by US Department of Health and Human Services – Office of Inspector General. See <https://oig.hhs.gov/compliance/physician-education/index.asp>.

Your suggestions in how to make HHC's Ethics and Compliance Program better are encouraged and would be valued and valuable. There are two locked compliance boxes in Schenectady and one in Amsterdam to leave anonymous messages. Only the Corporate Ethics and Compliance Officer has access to these boxes.

The New York State Office of Medicaid Inspector General outlined 8 key elements for an effective compliance program. These elements complement those outlined by the federal government.

HHC strives to meet these elements and those under federal law. Independent of legal requirements, HHC fosters an ethical culture. There need not be a law or policy in place to do the right thing at all times. Hence, act with fairness and integrity.

# 8 Elements of an Effective Compliance Program

## 1. Use of Written Policies & Procedures

HHC regularly reviews its policies and expects department managers and supervisors to be proactive by identifying areas for compliance best practices.

As part of its overall Compliance Program, HHC has adopted a Code of Conduct, Conflict of Interest Disclosure Statement, and uses the National Association of Community Health Centers (NACHC) Corporate Compliance Toolkit. HHC also has specific, individual policies for an array of matters ranging from proper documentation of services to whistle blower protections.

All staff has access to policies and Manual. They are available online at the ADP portal and the HHC website. Please review them on a regular basis.

### Code of Conduct

HHC has established a Code of Conduct, which is the foundation of its Corporate Compliance Program. The Code provides detail about compliance issues that can arise. Because it is impossible to foresee every issue, anyone affiliated with HHC must act with a sense of ethics, doing what is fair and right, at all times. HHC attempts to foster an ethical culture by encouraging you to be proactive, even if there is no clear rule about an unforeseen issue; putting patient care and safety first along with proper use of resources.

See Appendix A

### Organization's Compliance Responsibility

In accordance with the Patient Protection and Affordable Care Act (PPACA), it is required of all enrolled healthcare providers to have a compliance program in place. In adopting a compliance program, it allows HHC to: implement written compliance policies, procedures, and standards of conduct; designate a compliance officer who will be responsible for monitoring compliance efforts and enforcing practice standards; conduct effective training and education on the compliance policies and procedures; develop effective lines of communication and allow anonymous reporting mechanisms; enforce standards for employees through well-publicized disciplinary guidelines; and respond promptly to detect offenses and develop corrective action plans.

### Other Written Policies and Procedures

HHC maintains many specific policies and procedures ranging from declining gifts, to billing and coding, and documenting medical treatment, among other things. These policies are reviewed annually. They are available online.

## Annual Work Plan

Every year, the Corporate Ethics and Compliance Officer will prepare a Work Plan after reviewing state and federal priorities and receiving input from the Board Compliance Committee and HHC's internal Compliance Committee.

## **2. Designated Corporate Ethics and Compliance Officer**

**Paul Jesepe** is HHC's Chief Corporate Ethics and Compliance Officer. He is responsible for overseeing day-to-day operations of the Corporate Compliance Program and making recommendations to senior management and the Board of Directors. He is the "point person" for all vendors, employees, consultants, physicians, administrators, and members of the Board of Directors to share concerns.

Internal Extension: 4168  
External Line: \*67 - 518-688-3460 (\*67 blocks caller ID)  
Email: [PJesepe@hhchc.org](mailto:PJesepe@hhchc.org)

## Accountability to CEO and Board of Directors

The Corporate Ethics and Compliance Officer reports to the CEO and the Board of Directors. The Corporate Ethics and Compliance Officer is empowered to go directly to the Board at any time if he or she believes the situation merits.

## Board Compliance Committee/Internal HHC compliance Committee

Two committees exist to promote an effective compliance culture. Several members of HHC staff compose the internal committee while Board members and the Corporate Ethics and Compliance Officer makeup the other. There is cross-pollination between the two Committees with the Corporate Ethics and Compliance Officer serving as a facilitator in each case.

## Not Management

The Corporate Ethics and Compliance Officer is not considered management, although he or she may participate in management meetings and have staff. This stems from a desire to further an objective, detached approach by the Corporate Ethics and Compliance Officer.

## Specific Duties and Functions

Duties and functions of the Corporate Ethics and Compliance Officer shall include, but not be limited to:

- Maintain an Incident Log.
- Prepare an Annual Compliance Report.
- Maintain an anonymous outside Hotline.
- Conduct periodic organization-wide Compliance survey.
- Train all new staff and interns with Compliance fundamentals.
- Require key staff to fill out an Annual Conflict of Interest Survey.

- Periodically meet with Board and Internal Compliance Committees.
- Facilitate Board training with webinars and in-person presentations.
- Work with departments to require and facilitate the regular conducting of Audits/Risk Assessments.
- Maintain locked compliance boxes for anonymous notes in Schenectady and Amsterdam.
- Conduct Exit Interviews with those requesting such interviews.
- Annually review, and revise if needed, Forms, Compliance Policies, Compliance Manual, and Code of Conduct.
- Maintain a presence throughout the organization using posters and walking through the facilities as time permits to build personal relationships
- Annually certify (now slated for December), with NYS OMIG that HHC has an effective Compliance Program as reflected in the 8 elements outlined by the State.
- As part of ongoing training, use online tools, conduct departmental training, issue monthly newsletter, and occasional organization wide events such as educational games for National Ethics and Compliance Week.
- Work with the COO and CFO to determine if HHC has passed the Medicaid threshold for it to certify under the Federal Deficit Reduction Act (DRA) as noted on the NYS OMIG site.
- Monitor websites that include, but are not limited to HRSA, OMIG, NACHC, and CHCANYS.

### **3. Education of Staff & Board of Directors**

New employee and ongoing training will include, but will not be limited to webinars, workshops, conferences, e- and print newsletters, Board and staff presentations, and access to the latest compliance news. Staff will be required to do annual online compliance training, which will be overseen by Human Resources. Supervisors must monitor and hold staff members who are not meeting online training requirements accountable. One method for pre-tests and testing after training will be through Relias.

#### Compliance and Quality Assurance Committees

Education of staff will be coordinated, in part, through two separate committees, the Ethics and Compliance and the Quality Assurance Committees. Part of an effective program includes cross-pollination of activities to reach as many individuals as possible on an ongoing basis. An integral component of an effective compliance program includes excellence in patient care through ongoing Quality Assurance. It should be underscored, however, that although compliance and quality are complementary they are treated by Hometown Health Centers as distinct functions.

#### New Employee Training/Exit Interviews

All new employees will meet for training with the Corporate Ethics and Compliance Officer. This training will outline some key state and federal laws that drive the Compliance Program, the ethical culture HHC tries to foster, and the role and responsibilities everyone has in actively promoting compliance whether reporting concerns or helping their respective departments engage in risk assessments, developing action plans and monitoring progress.

Employees who move on in their careers will have the choice to meet with the Corporate Ethics and Compliance Officer for an exit interview. This exit interview is an opportunity to share any concerns that arose during employment. This is distinct from an exit interview with Human Resources. At the request of the employee, he/she may choose to not have his/her name disclosed. See Appendix D.

Although the Corporate Ethics and Compliance Officer plays an important role in training and education, he or she should not be the sole source of doing it. In addition, it is the responsibility of department heads to engage in ongoing training with staff in the areas of laws, regulations, or new policies adopted by the Board of Directors. Any clarification needed on laws or regulations should, of course, be referred to the Corporate Ethics and Compliance Officer.

### Demonstrating Compliance in the Workplace

In order to demonstrate compliance in the workplace, it is imperative all employees: maintain confidentiality of patient information, conduct routine risk assessments, evaluate security measures, examine privacy measures, and collaborate effectively with colleagues to ensure a limited-risk work environment.

#### Print/Electronic Newsletters/Webinars

As one component of its educational initiatives, the Compliance Program will include monthly newsletters and additional educational emails.

#### Training by Your Supervisor/Corporate Ethics and Compliance Officer

Supervisors and Department heads are expected to train their staffs on an ongoing basis regarding ethics and compliance issues specific to their respective areas of care and service.

#### Conflict of Interest Disclosure Statement

The Statement attempts to identify any potential or actual conflicts before an individual begins his or her formal affiliation with HHC. Individuals also are required to disclose any actual, potential, or perceived conflicts as they arise during their affiliation or employment with HHC. It is the responsibility of everyone to have a working knowledge of these policies and procedures and refer to them. If you find gaps in them bring them to the attention of the Corporate and Compliance Officer.

All new staff and Board Members must complete a Disclosure Statement at the time of starting their service. All Board Members and key staff, identified by the Corporate Ethics and Compliance Officer, must fill out a conflict of interest Statement annually. Any staff person, regardless of position, must be proactive and immediately report a potential conflict.

See Appendix B

#### Privacy Policy

“The HIPAA Privacy Rule establishes national standards to protect individuals’ medical records and other personal health information and applies to health plans, health care clearinghouses, and those health care providers that conduct certain health care transactions electronically. The Rule requires

appropriate safeguards to protect the privacy of personal health information, and sets limits and conditions on the uses and disclosures that may be made of such information without patient authorization.”

See “Confidentiality” section of Appendix A.

#### **4. Open Line of Communications to Corporate Ethics and Compliance Officer**

##### Access to the Corporate Ethics and Compliance Officer

Employees have the choice, if he or she chooses not to go to a supervisor, to contact the Ethics and Compliance Officer directly about any issue or concern.

##### 24 Hour Hotline/Confidential and Anonymous

Information will be kept confidential. Confidentiality may require some disclosure on the part of the individual who is reporting a concern, but his or her name need not be shared with anyone else. In other cases, the individual may report a concern anonymously by using the compliance box to leave a note with specific details about an incident without any self-identifying information.

Employees are required to report directly or anonymously to a supervisor or the Ethics and Compliance Officer any concerns about waste, fraud, or wrongdoing. If the employee elects to make a good faith anonymous report he or she can call:

Internal Extension: 4195, or,

24 hour anonymous hotline: (\*67) 518-688-3460.

Hometown maintains a strict non-intimidation and non-retaliation policy to protect anyone who in good faith makes a report – anonymously or otherwise.

Members of the Board of Directors also have a duty to report concerns to the Corporate Ethics and Compliance Officer and to the Board’s Compliance Standing Committee.

During the course of their employment, employees are expected to be proactive in seeking ongoing training and to be responsive to training provided by the Corporate Ethics and Compliance Officer throughout the year which may include, but not be limited to, reading the monthly newsletter and any electronic e-newsletters.

##### Locked Compliance Boxes

There are two locked compliance boxes in Schenectady and one compliance box in Amsterdam where anonymous notes may be left. Staff should keep in *mind this is different from the Employee Suggestion Box*. Only the Corporate Ethics and Compliance Officer has access to the compliance boxes.

## **5. Evaluations/Corrective Policies/Mandatory Participation**

HHC has an array of policies and their effectiveness is based in part on enforcement. Corrective action may include: warnings, reprimands, probation, demotion, temporary suspension, termination, restitution of damages, and referral for criminal prosecution. These sanctions apply to employees, executives, Board Members, and persons associated with Hometown Health Centers including vendors and consultants. Retraining or greater education also is an option. All compliance incidences must be reported, logged and investigated.

A Board Member may be removed, suspended or censured for failing to disclose any personal or family conflict of interest during a Board or Committee discussion and before a vote. He or she can be removed, suspended or censured for misusing resources of the organization. The Board shall consider the seriousness of the conflict and how it was discovered in determining whether to impose a penalty of removal, suspension, or censure of the Board Member. Actions and discussion shall be reflected in Board minutes.

### Staff Evaluations Include Compliance Engagement

All members of staff, regardless of position, are mandated to adhere to the compliance program. Annual Employment Evaluations overseen by Human Resources will reflect, in part, how an individual was engaged and participated in compliance. Depending on an employee's position, this may include, but not be limited to, Risk Assessments, fulfilling online training, participation in compliance competitions, and immediately reporting ethical or compliance concerns that may have been observed.

#### Risk Assessments

Risk Assessments serve to protect patients and the organization's resources. By evaluating potential risk that may be involved in an undertaking, it allows all employees to correct issues that would have otherwise gone uncorrected, and serves to maintain a low-risk environment. Risk Assessment is a mechanism to ensure that safety is paramount at all times, in every department, and that the same safety standard is applied throughout HHC.

See Appendix A for more information.

## **6. Ongoing Identification of Risk Areas – This Applies to Everyone**

Compliance through systematic, self-initiated risk assessments is the responsibility of every HHC Department. *They are mandated by HHC's Board of Directors.*

Risk assessments identify problems before they occur or determine weaknesses in providing care, governance, or charging for services.

Department managers, supervisors, and the Board of Directors are all called to initiate risk assessments, develop and implement action plans, and measure progress.

Risk assessments are a critical factor to determine annual certification by the New York State Office of Medicaid Inspector General (OMIG). Departments must do them.

Although risk areas include billing, credentialing, medical necessity and quality of care, they also involve “other risk areas that are or should with due diligence be identified.”

In conducting a risk assessment, ask several key questions. They include, but are not limited to:

- Does the Department have a system to routinely identify compliance risk areas specific to its work?
- Does the Department have a system for self-evaluation of the risk areas identified in the previous question, including internal audits and as appropriate external audits?
- Does the Department have a system in place for evaluation of potential or actual non-compliance as a result of self-evaluations and audits?
- Does the Department keep the Corporate Ethics and Compliance Officer informed of the risk assessments planned, being conducted, and once they are concluded?

### Billing

Compliance issues that may result in fines or criminal investigation include, but are not limited to:

- Billing for services not done;
- Billing for unnecessary services;
- Duplicate billing (billing two or more times for the same service);
- Up coding – billing for a higher level of service than actually provided ;
- Unbundling two or more services that must be billed together under applicable reimbursement rules;
- Billing for more than a single visit on the same day, to the extent prohibited by applicable reimbursement rules;
- Failure to refund credit balances that are due to clients;
- Failure to maintain sufficient documentation to demonstrate that services were performed and to support third party reimbursement;
- Billing for services provided by personnel not properly supervised, not recognized as qualified by the government, or lacking the level of licensure required by appropriate law;
- Absent, forged, or untimely physician certifications;
- Inadequate management and oversight of subcontracted services, which results in improper billing;
- Duplication of services provided by physicians and other mental health providers; and
- Failure to return overpayments once HHC becomes aware of them.

Knowingly submitting false or fraudulent claims for payment to a government agency violates the Civil False Claims Act, 31 USC Sec. 3729(a).

A person acts “knowingly” under this law not only if they have actual knowledge of a false or fraudulent claim, but also if they act with deliberate ignorance or reckless disregard for the law. Civil damages are substantial with the potential for criminal liability.

#### Exclusion Lists

HHC will routinely monitor government exclusion lists for those affiliated with the organization to verify that they have not violated the public trust and become ineligible to participate in the Medicaid program.

#### Medical Necessity and Quality of Care

Assessments must be done on an ongoing basis and reported to the Corporate Ethics and Compliance Officer. These departmental self-initiatives will have a direct impact on the excellence HHC strives to bring to patient-consumers care while being good stewards of all resources.

#### Compliance Log

HHC shall document incidences and the progress and follow-up to address problems or system weaknesses. Issues arise regularly and it is important to track and monitor them to further quality improvement, best practices, and be good stewards of resources.

### **7. Corrective Actions when Risks Identified or Problems Occur**

Departments must show the initiative and leadership in responding to compliance issues in a timely, committed manner that includes working with the Corporate Ethics and Compliance Officer. Independent of risk assessments and quality improvement initiatives, issues brought to the Corporate Ethics and Compliance Officer’s attention require they be logged, investigated, depending on seriousness reported to the Board immediately, corrective action recommended, and the situation monitored for improvement and resolution. This process will include whether violations must be promptly reported to state and federal authorities.

### **8. Non-intimidation and Non-Retaliation Policies**

#### Good Faith Reporting

Staff, vendors, interns, contractors, and Board Members are obligated to report to the Corporate Ethics and Compliance Officer any activity he or she believes to be inconsistent with HHC policies or state and federal law. This can be done anonymously using HHC’s 24/7 hotline (\*67) 518-688-3460. Policies are in place to protect those who come forward to report possible legal and ethical breaches. You cannot be fired or harassed for reporting a problem.

#### Exit Interviews

As a further reflection of HHC’s efforts to nurture an ethical culture, exit interviews with the Ethics and Compliance Officer are available to any employee or Board member leaving the organization.

See Appendix D.

Appendix A

Hometown			
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**Code of Conduct**

Hometown



Health



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**CODE OF CONDUCT**

**2018-2019**

## **What is the Code of Conduct?**

It's how everyone must behave or respond to specific situations when they occur. Respect at all times for patients, *who are customers*, and coworkers are examples of required conduct. Reporting compliance breaches is another.

The Code *requires all employees* to behave with professionalism. This includes, but is not limited to:

- Not gossiping;
- Not taking photos/pictures;
- Maintaining a positive workplace attitude;
- Clean, well-groomed, and professional appearance;
- Not discussing with family or friends who seeks treatment here;
- Coming to work on time, not leaving before your shift is over, and not taking pro-longed breaks or lunch periods;
- Focusing on work and customer needs first, never making personal calls a priority or misusing the office computer for personal use; and
- Using proper language (no cursing) at all times which includes showing courtesy to customers and co-workers.

This is not an exhaustive list. It highlights, however, basic professional duties, protocols, expectations, and responsibilities.

## **What Is the Difference Between Ethics, Code of Conduct, Conflict of Interest, and the Corporate Compliance Manual?**

Ethics, the Code, Conflicts, and Compliance Manual overlap and complement one another. They have similarities and must be integrated, yet have important distinctions. They also complement and further the Values of the organization.

Ethics are the values or philosophy of a person or organization. These values include fairness, honesty, and duty to share concerns or information about what goes on (transparency). Ethics is an attitude in how you live or how an organization acts.

Act fairly and honestly at all times. Approach what you do with integrity. Try to do the right thing in every situation, not just because the law may require it, but because it is the fair and honest thing to do.

Code of Conduct is detail driven. It highlights some, though not all of the issues that may arise. HHC has expectations for professionalism. In addition, it does not, as another example, bill for services it doesn't

provide. It does not upcode for any service. HHC does not bill for an improperly documented service by a healthcare provider. Another example, cited above, is treating everyone with respect.

These are specific examples outlined in the Code. Because every situation cannot be foreseen, it is HHC's organizational ethics, also noted above, that should guide staff, vendors, employees, consultants, and Board Members.

Conflict of Interest falls under Code of Conduct, but is important enough to discuss separately. An issue may arise, regarding personal or family interests, involving some kind of gain, if it occurs in a manner that can harm or undermine HHC. The Code of Conduct requires you to report actual or possible conflicts to the Corporate Ethics and Compliance Officer. Even the appearance or perception, though not an actual conflict, can be problematic. Ask the Corporate Ethics and Compliance Officer.

Corporate Compliance Manual includes the Code of Conduct, addresses ethical values and highlights the 8 elements of an effective compliance program as outlined by the New York State Office of Medicaid Inspector General, reflecting, in part, federal standards.

## **Introduction**

In 2006, Hometown Health Centers (HHC) implemented a Corporate Compliance Program (Ethics, Code of Conduct and Corporate Compliance Manual). Everyone affiliated with HHC, including staff, contractors, consultants, volunteers, business associates, and Board Members are bound by the Corporate Ethics and Compliance Program.

The Code highlights some (but not all) of the recurring situations at HHC. The Code applies to interactions with all consumers, government reporting agencies and those who do business with HHC. Each individual must strive to be a model manager, employee, or Board Member.

Directors, managers, or supervisors must take responsibility to create and maintain an ethical work environment of mutual respect where concerns are raised without fear and openly discussed by employees. They also are responsible for making sure employees understand their responsibility to report ethical or legal breaches. All employees have a duty to be aware and report wrongdoing.

HHC's Code of Conduct is divided into ten broad areas.

1. Customer service and the highest professional standards for patients (customers/consumers).
2. Serving families and individuals regardless of ability to pay.
3. Openness, best practices and quality improvement initiatives.
4. Distinguishing a legal right to do things and doing what is right at all times.
5. Meeting all legal and ethical requirements, obligating vendors, contractors, consultants, volunteers, and Board Members to do so as well.

6. Educating and re-educating anyone affiliated with HHC about Conflicts of Interest.
7. Marketing services honestly and accurately.
8. Being good stewards of all fiscal and administrative resources.
9. Urging customers, employees, and Board Members to report illegal or unethical conduct.
10. Protecting anyone from harassment before reporting an incident and from retaliation after reporting wrongful conduct.

**1) Customer service and the highest professional standards for patients.**

HHC is committed to providing its customers with the highest quality care and excellent service at all times. Quality in care and good customer service is a priority.

These high standards must apply to interactions with everyone with whom HHC representatives interact. This is achieved in several ways including an overall ethics and compliance program and its quality assurance initiatives.

*Everyone must remember on a daily basis that patients, though they can be difficult at times, are not an inconvenience to our workday. They are customers who are the reason for the workday. Put yourself in the shoes of a patient as a customer and think how you would want to be treated.*

Confidentiality

The Health Insurance Portability and Accountability Act of 1996 (HIPAA) must be followed at all times. It provides safeguards for patient privacy. *It is an extremely important means to ensure consumer confidentiality.*

It is vital all staff be on alert for phishing, ransomware, and other potential cybersecurity breaches. Pay attention to all directives from IT.

All personnel will keep patient information, even appointments, in the strictest of confidence. Such information will not be disclosed to anyone unless authorized by the patient or otherwise permitted by law. Because you may know someone well and they ask does not legally permit you to access someone's Protected Health Information. Nor should you discuss something like a patient's appointment with a significant other, family member or friend.

Confidential information acquired by personnel about the business of HHC must also be held in confidence and may not be used as a basis for personal gain by personnel, their families, or others. Such confidential information includes, but is not limited to: customer lists, development plans, and information about pending or contemplated business deals.

Never post information related to your job or patients (even if not named) on social media. Although it may not be your intent, you can innocently violate a patient's privacy or the confidentiality required by HHC to be an effective organization.

Information relating to something about to happen with HHC is not to be released to any person unless this information has been published or otherwise made available to the public. Similarly, if HHC is considering buying, leasing, or selling any property, item, or interest, HHC employees and affiliates who are knowledgeable of it must not attempt to buy, lease, or sell for their own benefit or that of their family the item under consideration, until HHC's decision on the matter has been executed. Finally, other than in connection with the personnel's discharge of their official responsibilities with HHC, all personnel must also refrain from disclosing information that may be prejudicial to the interest of HHC.

In protecting patient privacy talk with your supervisor, the Corporate Ethics and Compliance Officer, or refer to the many online resources to help answer questions. **Do not** take pictures because it may be a privacy breach. Be proactive in safeguarding patient privacy. For further information on Confidentiality and privacy of patient information, please consult:

<http://www.hhs.gov/ocr/privacy/hipaa/faq/index.html>

### Risk Assessments

It is mandatory each department do audits and self-initiated Risk Assessments on an ongoing basis. Assessments help identify opportunities for improvement ranging from better customer service to improved quality of care, to ensuring HHC is a good steward of the resources provided to it.

Risk Assessments along with work plans developed and implemented to address any short-comings identified must be shared with the Corporate Ethics and Compliance Officer. It is critical that HHC show a good faith effort during its annual certification with the New York State Office of Medicaid Inspector that it is proactive in its audits and Risk Assessments.

It is the responsibility of Managers, Supervisors and Department Heads to identify areas for improvement and act on them on an ongoing basis.

The Board of Directors has underscored the importance of Assessments and will monitor them. Raises and promotions may be contingent on them.

Persons directly involved with risk management and quality assurance must keep the Corporate Ethics and Compliance Officer apprised in a timely manner of any matters that may compromise the organization or patient care.

**2) Serving families and individuals regardless of their ability to pay.**

In 2014, HHC began operating a second federally qualified health center (FQHC). It is committed, as reflected in its mission statement, to provide quality, progressive, comprehensive, and cost effective care to its customers with a focus on low-income residents in the area. It provides these services using a fee schedule approved by the Board of Directors, which may include a sliding fee program.

**3) Transparency, best practices and quality improvement initiatives.**

Openness (transparency) about its operations through information sharing is vital to HHC's mission and ethical culture. Information sharing of detailed and accurate information with staff and especially with the Board of Directors by senior management empowers everyone at HHC to promote quality care, customer satisfaction, an ethical culture, and good stewardship of resources.

Transparency helps identify areas for improvement while fostering a culture of best practices in finance, administration, and patient care. Remember, patients, like you, are consumers and deserve respect, courtesy, and our best efforts to help solve their problems.

**4) Distinguishing a legal right to do things and doing what is right or ethical at all times.**

Part of HHC's culture is to go above and beyond what is required by state and federal law. It attempts to promote an environment where doing the right thing and always trying to do better is second nature. There does not have to be a law or policy on a specific matter to act with truth, fairness and honesty. Act with integrity at all times.

**5) Meeting all legal and ethical requirements, obligating vendors, contractors and consultants to do so as well.**

It is HHC's expectation that everyone must adhere both to the *spirit* and the *language* of the Code of Conduct.

Strictly following these standards is a condition of employment, serving on its Board, or doing business with HHC. Any violation or perceived violation will be investigated and corrective action taken.

*Reporting and Complaint Procedures*

All staff, vendors, contractors, consultants, and Board Members, have an obligation to report wrongdoing. Everyone should raise questions they might have about potentially unethical or illegal conduct with the Corporate Ethics and Compliance Officer.

- Call the Corporate Ethics and Compliance Officer directly: Ext. 4168,
- Call the 24/7 Hotline: \*67-518-688-3460, or
- Leave an anonymous message in a locked Compliance Box in the Amsterdam or Schenectady facility.

Staff must follow the directives in the Code of Conduct and work to ensure those standards are followed. In particular, all departments, personnel and Board Members must cooperate as appropriate with all inquiries concerning possible improper business, documentation, coding or billing practices, respond to any reviews or inquiries, and actively work to correct any improper practices that are identified.

If employees have a general question about the propriety of conduct they should still reach out to the Corporate Ethics and Compliance Officer for guidance. When in doubt, say something.

It is preferred that questions about a potentially troublesome issue be raised before the issue becomes an actual problem.

A report or question may be raised anonymously and will be held in the strictest confidence possible, consistent with the need to investigate any allegations of wrongdoing. A 24/7 Hotline may be used (\*67-518-688-3460) or Locked Compliance Box in Amsterdam or Schenectady.

To the extent possible, the Corporate Ethics and Compliance Officer will not disclose the identity of anyone who reports a suspected violation of law or who participates in an investigation.

The Corporate Ethics and Compliance Officer and any legal counsel he or she may consult are obligated to act in accordance with the law, policies, and regulations.

### *Ethics and Compliance Officer*

Paul P. Jesep is HHC's Chief Ethics and Compliance Officer (Ext. 4195). He is responsible for overseeing the daily compliance activities of the program. Paul is the "point person" to whom all employees, contractors and Board Members can contact to express concerns about compliance matters.

The Corporate Ethics and Compliance Officer reports to the CEO and Board of Directors.

### *Investigation by the Corporate Ethics and Compliance Officer*

Upon receiving a report of possible unethical or illegal conduct, or of a pattern of possible improper billing, the Ethics and Compliance Officer will conduct an investigation of the report and take all necessary and appropriate actions. The Board Compliance Committee will be notified.

The objective of the investigation is to determine whether, first, a compliance issue exists or there has been a violation of the Code of Conduct or applicable legal rules.

Your information will be kept confidential. If an issue or violation does exist, then the investigation will attempt to determine its cause, so that appropriate and effective corrective action can be instituted.

Employees are expected to cooperate with such investigations.

### Corrective Action and Responses to Suspected Violations

Whenever a compliance problem or billing error is uncovered, regardless of the source, the Corporate Ethics and Compliance Officer will ensure that appropriate and effective corrective action must be implemented by the Billing Manager.

Any corrective action and response implemented must be designed to ensure that the violation or problem does not re-occur (or reduce the likelihood that it will reoccur).

Corrective actions are based on an analysis of the root cause of the problem.

A Corrective action plan includes a follow-up review of the effectiveness of the corrective action following implementation.

Remedial education both formal and informal is also a part of the corrective action plan.

### Bullying and Harassment

Bullying and Harassment is not tolerated and may lead to immediate dismissal. Bullying and harassment (sexual or otherwise) includes, but is not limited to: inappropriate contact, lewd jokes, emotional abuse by undermining a coworker's performance, character abuse like lying and gossiping about a colleague, and professional abuse such as repeatedly finding fault and failing to respect the personhood and basic dignity of another.

### EEO Policy

HHC employs the best person without regard to: age, color, creed, ethnicity, gender, religion, disability, marital status, national origin, military/veteran status, genetic information, or sexual orientation.

### General Business Practices

HHC will forego any business transaction or opportunity that can only be obtained by improper or illegal means, and will not make any unethical or illegal payments to anyone to induce the use of its services.

Business transactions and joint ventures with other health care providers will be aimed at enhancing the quality or continuity of care provided to patients.

Financial investments in such transactions and ventures, and any return on investments, will be based on the bona fide financial value of the investment and its positive impact on HHC's ability to deliver medical services. Such investments will not be based on intent to induce or reward referrals to or from another provider.

In the course of HHC's business practices, personnel must deal with a variety of individuals, companies, organizations, and governmental agencies. In those dealings, all personnel must never make any misrepresentations, dishonest statements, or statements intended to mislead or misinform. If it appears that anything you have said has been misunderstood, it is your responsibility to correct it promptly.

In addition, management must ensure that all business records are accurate and truthful, with no material omissions including that the assets and liabilities of HHC are accounted for in full compliance with all tax and financial reporting requirements, and that no false records are made. Similarly, all reports submitted to governmental agencies, insurance carriers, or other entities will be accurately and honestly made.

#### *Purchasing and Competitive Bidding Policy*

All purchasing decisions must be made with the purpose of obtaining the highest quality product or service for HHC or its patients at the most reasonable price. No purchasing decision may be made based on any consideration that any employee, officer or trustee – or any family member or friend of any of them – will benefit by the transaction.

Rather, the sole criteria behind all purchasing decisions must be only the best interests of HHC (see also the section below on Conflict of Interest Rules). Nor can any service or item be purchased in return for a referral of patients from another or with a view towards inducing another to refer patients (See also the rules governing Marketing Activities and Patient Referrals set forth below).

The institutional cost report will be prepared in accordance with all applicable state and federal regulations. Costs will be claimed when based on appropriate and accurate documentation; unallowable costs will not be claimed for reimbursement; and all costs will be properly allocated to the appropriate cost centers based on verifiable information and data.

### Contractors

All persons and entities with which HHC contracts will be asked to cooperate with HHC's Compliance program. This includes individual physicians, physician groups, vendors, contractors, and other healthcare providers.

### Honesty and Lawful Conduct

HHC does not tolerate any form of unlawful or unethical behavior by anyone associated with it. It expects and requires all personnel to be law abiding, honest, trustworthy, and fair in all of their business dealings. To ensure that these expectations are met, the compliance program has become an integral part of our corporate mission and business operations.

All personnel associated with HHC including volunteers and providers with privileges to see patients at HHC or one of its facilities must avoid all illegal conduct, both in business and personal matters. No one will take any action in violation of any law or regulation.

### Discipline

All personnel and Board Members are expected to adhere to the Code of Conduct. If the Corporate Ethics and Compliance Officer concludes, after an investigation, that the Code has been violated, then appropriate discipline, including discharge or termination of employment contracts may be imposed.

The imposition of discipline can be based on the person's unlawful or unethical actions, condoning or failing to report unlawful actions by others, retaliation against those who report suspected wrongdoing, or other violations of the Code of Conduct.

In recommending discipline of a manager, supervisor, department director, physician or mid-level provider, the Corporate Ethics and Compliance Officer will do so to the CEO or in the Officer's discretion, the Board of Directors.

In recommending discipline of a non-physician employee, the Corporate Ethics and Compliance Officer will refer the matter to the appropriate staff and the employee's supervisor for disciplinary action.

A manager, supervisor, or department director, in coordination with Human Resources, may initiate his or her own investigation, independent of the Ethics and Compliance Officer, regarding personnel issues and take appropriate action which includes possible suspension or termination in accordance with policies or binding contracts.

## **6) Educating and re-educating anyone affiliated with HHC about Conflicts of Interest.**

Educating new employees and re-educating all employees and Board members will be done on an ongoing basis.

All members of HHC's Board of Directors and personnel who are in a position to influence any substantive business decision by HHC will, at least annually, file a Conflict of Interest Disclosure Statement with the Corporate Ethics and Compliance Officer.

In addition, all Board of Directors and personnel must also immediately disclose to the Corporate Ethics and Compliance Officer any possible conflicts of interests as they arise.

Use of HHC's assets for personal gains is not permitted.

### *Conflict of Interest Rules*

The relationship between HHC and all of its personnel is one that carries with it a duty of honesty. All personnel must exercise good faith in all transactions that touch upon their duties and responsibilities for, or on behalf of, HHC. Even the appearance of illegality, impropriety, or conflict of interest or duality of interest can be detrimental to HHC, and therefore must be avoided.

All members of the Board of Directors and all HHC personnel who are in a position to influence any purchasing decision or business transaction must complete a conflict of interest form in which they are required to disclose all direct and familial business interests which may or does compete with HHC.

In addition, all personnel must examine their own and their immediate family's activities, and promptly report to the Corporate and Compliance Officer the existence of any enterprises in which either they or their immediate family has an "interest," and which the person knows is engaged, or is reasonably likely to engage, in transactions with HHC. A person's immediate family includes his or her spouse, siblings, children, grandchildren, parents, grandparents, or parents-in-law.

A person is deemed to have an "interest" in an enterprise when he or she, or a member of his or her immediate family is an employee, member, owner, director, or officer of – or has financial interest in – an enterprise; from which HHC purchases or leases equipment, services, or supplies, or that provides services that compete with HHC; with which HHC negotiates real estate transactions (such as the leasing of space), and which either benefits from the real estate transaction or competes with HHC in the leasing or purchase of real estate; or which renders directive, managerial, or consulting services to any organization that does business with, or competes with, HHC in providing services.

If the financial interest is the ownership of securities which are publicly traded, such interest does not have to be disclosed, unless the combined holdings of the securities of both the person and his or her immediate family constitute 5% or more of the outstanding securities of the entity concerned.

All personnel who have an interest in an enterprise, as outlined above, must disclose their interest in writing to the Corporate Ethics and Compliance Officer; take no part in the consideration or determination of the matter on the part of HHC; and to the extent reasonable given the circumstances, should take no part in, and should have no financial participation in, the transaction between the enterprise and HHC. If HHC is considering engaging in a transaction with an enterprise in which personnel have an interest, that interest must first be brought to the attention of the Corporate Ethics and Compliance Officer, who will then consult with counsel to review the matter. A recommendation will then be made about the propriety of the transaction.

#### Compliance Committee of the Board of Directors (BOD)

The Board of Directors (BOD) has overall responsibility, through the CEO, for ensuring that HHC conducts its activities with the highest integrity and complies with the law. A Compliance Committee of the BOD was developed to oversee the compliance program.

#### Gifts and Payments

No personnel will engage, either directly or indirectly, in any corrupt business practice, including bribery, kickbacks, or payoffs, intended to influence or reward favorable decisions of any vendor, patient, physician, government representative, contractor, vendor, or any other person in a position to benefit HHC or the employee or family member in any way.

No employee will make or offer to make any payment or provide any other thing of value to another person with the understanding or intention that such payment is to be used for an unlawful or improper purpose.

Personnel may accept items of very nominal value (e.g. pens, mugs, or calendars used for marketing gimmicks). No gift, no matter how nominal, may be accepted if given for the purpose of influencing the business behavior of the recipient. Cash gifts to physicians or other referral sources are strictly prohibited.

Gifts of even nominal value may not be offered to any governmental official. Such gifts can be misinterpreted as an attempt to improperly influence the official and are to be avoided.

It is prohibited for any personnel to accept gifts, gratuities, loans, or other favors from any patient, client, vendor, contractor, individual or concern that does (or is seeking to do) business with, or is a competitor of, HHC under circumstances from which it could be inferred that the personnel's action was

for their own benefit, and not solely for the benefit of HHC. This does not preclude the acceptance of items of nominal value that are clearly tokens of friendship or business hospitality.

Any questions regarding whether or not an item or situation falls within the scope of the Code of Conduct must be raised immediately with the Corporate Ethics and Compliance Officer, who, in conjunction with legal counsel, will assess the propriety of the particular situation.

#### Patient Referrals/Patient Choice

HHC does not pay physicians, or anyone else, either directly or indirectly, for patient referrals. The decision to refer patients is a separate and independent clinical decision made by the referring physician or health care provider. He or she must not benefit from such a referral. Federal and state law makes it unlawful to pay any individual on the basis of the value or volume of referral of patients. This includes the giving of any form of remuneration, including virtually anything of value, in return for referral.

#### Other Conflicts

If HHC is considering buying, leasing, or selling any property, item, or interest, HHC employees and affiliates who are knowledgeable of it must not attempt to buy, lease, or sell for their own benefit or that of their family the item under consideration, until HHC's decision on the matter has been executed. One possible exception is when senior management determines to sell old, outdated equipment at a fair market value to staff.

Finally, other than in connection with the personnel's discharge of their official responsibilities with HHC, all personnel must also refrain from disclosing information about any HHC consideration or decision, or any other information which might be prejudicial to the interest of HHC.

**The governing principle** about confidential information is that if personnel receive any confidential information pertaining to HHC, they must not use such information for their own or their family's benefit, nor should they disclose it to others for their personal use.

Any questions regarding whether or not an item or situation falls within the scope of this sections must be immediately raised with the Corporate Ethics and Compliance Officer who will assess the particular situation.

#### Departmental Compliance Protocols

In addition to the Code of Conduct and Compliance Procedures set forth in this Manual, many of HHC's departments have department-specific compliance policies, procedures, and protocols. These additional policies, procedures, and protocols are an integral part of the Compliance Program and are designed to complement the procedures and standards set forth in this Manual.

### Purchasing and Competitive Bidding Policy

All purchasing decisions must be made with the purpose of obtaining the highest quality product or service for HHC or its patient-consumers at the most reasonable price.

No purchasing decision may be made based on any consideration that any employee, officer or Board of Director – or any family member or friend of any of them – will benefit from the transaction.

The sole criteria behind all purchasing decisions must be only in the best interests of HHC.

Services or items cannot be purchased in return for referral of patients. Competitive bidding should be used in all cases with any exceptions discussed with the Corporate Ethics and Compliance Officer. An exception could include uniqueness of the work or the expertise sought, though this is likely to be rare.

#### **7) Marketing services honestly and accurately.**

HHC's best advertisement is in the quality of medical services it provides.

HHC relies on the quality of its care *and customer service* to market services to patients, physicians, and other health care providers who might refer patients. All marketing activities and advertising by personnel must be truthful and not misleading, and must be supported by evidence to substantiate any claims made.

No personnel may disparage HHC, or the service or business of another competitor, through the use of false or misleading representations.

In addition, only those persons designated by the CEO may market and communicate with the media, public, trade associations, and government officials on behalf of the organization.

Only senior management may designate personnel to solicit appropriate grant funding.

#### **8) Being good stewards of all fiscal and administrative resources.**

HHC has a legal and ethical responsibility to use fiscal and administrative gifts and grants wisely and for their intended purposes. Otherwise, it risks engaging in waste, fraud and abuse, which is against the law and contrary to the philosophy of HHC. HHC must be good stewards of all resources while assuring and placing paramount importance that the organization's assets must never be used for personal gain.

According to the US Department of Health and Human Services – Health Resources and Services Administration (HRSA)<sup>2</sup>:

- **Fraud** is the “deliberate deception to secure an unfair gain.”
- **Waste** is the “unnecessary incurring of costs as a result of inefficient practices, systems or controls.”
- **Abuse** is the “intentional misuse of authority, position, funds, or resources for personal financial interests.”

### Billing

Billing is a major component of the Corporate Compliance Program. It is HHC’s policy to bill only for the actual services rendered, and only when those services are consistent with accepted standards of medical care.

Billing procedures must always be based on adequate documentation of the medical justification for the service provided and for the bill submitted.

In addition, this medical documentation must comply with all applicable regulations.

It is also strict HHC policy that no “default” or “generic” code be applied for a specific service. Services must be properly documented and the appropriate code must be identified. No bill should be submitted for reimbursement.

While the use of defaults or billing on the basis of unclear documentation can sometimes result in under-billing, these practices can also result in over-billing on other occasions. Do not use them.

No individual associated with HHC may **knowingly** or **carelessly** engage in any form of upcoding or undercoding of any services in violation of law, rule, or regulation. No one may ever misrepresent charges to, or on behalf of, a patient or third-party payor.

Coding for services rendered are performed by dentists, physicians and mid-levels at HHC. In conformity with HHC’s basic mission and values, only those medical services to patients that are consistent with acceptable standards of medical care may be administered.

In this regard, HHC’s billing procedures must always be based on adequate documentation of the medical justification for the service provided and for the bill submitted, and this medical documentation must comport with all applicable regulations. In addition, all documentation, regardless of any legal

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<sup>2</sup> See *HRSA Program Integrity Webcast on Fraud, Waste, and Abuse*, <http://78449.choruscall.com/hrsa/hrsa120717.pdf>.

requirements, must also be sufficient to satisfy HHC's own internal standards for quality assurance as to the actual services rendered.

In addition, Current Procedural Terminology (CPTs), International Classification of Diseases (ICDs), Healthcare Common Procedure Coding System (HCPCS) should never be selected on the basis of whether the given code guarantees or enhances payment; rather, only those codes that correspond to the service rendered and documented should be selected. The service only will be billed when the responsible medical personnel provides sufficient documentation.

All federal and state regulations governing billing procedures will be meticulously followed and HHC personnel responsible for coding and billing will be trained in the appropriate rules governing billing, coding, and documentation.

Whenever HHC has learned or knows that it has received payments for which it was not entitled from a government or private payor, the payments will be refunded to the appropriate payor as soon as possible.

All billing must be accurate and truthful; and no personnel should ever misrepresent charges to, or on behalf of, a patient or third-party payor. Making false statements or intentional omissions of material information by any personnel to a government agency or other payor is unacceptable.

Deliberate misstatements to government agencies or other payors will likely cause an individual's termination and may result in potential criminal penalties.

It is also illegal to supply false information with either a deliberate ignorance or a reckless disregard of its falsity or truth. Thus, if you have any question as to the truth or accuracy of the documentation for billing purposes, or if there is material information that is missing, the bill for the services in question must be held until the uncertainties are resolved. Anything less can result in over billing and is strictly prohibited.

#### *Billing Rules for Clinical Laboratory and Other Diagnostic Testing*

HHC performs laboratory tests and diagnostic procedures. As a result a separate and detailed set of protocols and standards of conduct and compliance procedures specific for laboratory and other diagnostic testing has been developed. It is critical staff be aware and follow them. Documentation, medical justification, correct billing practices and quality assurance apply.

1. Bill Only for Tests Actually Ordered and Conducted.

HHC will bill only for tests that were ordered by a physician and actually conducted. If a test is ordered, but is not performed for any reason, then no bill for the test may be submitted to any third-party payor.

Tests should be performed only when there is a clear order from the patient's physician and there is reason to believe that the test is medically necessary.

## 2. Medical Necessity for Tests

Although it is ultimately the ordering dentists, mid-levels and physician's responsibility to determine whether a test is medically necessary, claims should never be submitted to Medicare or Medicaid (or any other federally funded health care program), if an employee believes the test was medically unnecessary. All HHC ordering procedures – from requisition design to our interactions with the ordering providers – must be designed to encourage ordering providers to order *only* medically necessary tests for which reimbursement will be sought from the government.

## 3. Diagnostic Codes

The best way that the medical necessity for a given test can be clearly demonstrated is to ensure that the appropriate International Classification of Diseases (ICD)-9 and eventually ICD-10 diagnosis code is included on the claim form that is submitted to the government. The ICD codes assigned must be accurate and as specific as possible, based on the information available to the physician ordering the test, based on the patient's actual condition, and based on information that is otherwise in the patient's chart.

Only diagnostic information obtained from the provider who ordered or interpreted the test should be placed on any claim/billing form. If the diagnosis is unclear or has not been provided, technical or billing personnel must contact the ordering provider to obtain the necessary information, and cannot create diagnostic information based on their own interaction with the customer, from information provided from an earlier date of service, or based on what appears to be the probable or most likely diagnosis.

When an encounter form is submitted with inadequate diagnostic information, HHC will not submit a bill until the appropriate information has been obtained.

### *Relationships with Physicians and Other Providers*

All contracts, leases, and other financial relationships with providers (and with any other medical provider who has a referral relationship with HHC) will be based on the fair market value of the services or items being provided or exchanged, and not on the basis of the volume or value of referrals of Medicare or Medicaid business between the parties. Nor will free services or items be accepted or provided in return for referrals.

Thus, for instance, HHC will not provide: excessive payments for medical directorships; free services to physicians who otherwise have a financial relationship with HHC; free or below market rents or fees for administrative services; interest-free loans; or excessive payment for intangible assets in a physician

practice acquisition. Similarly, all recruiting arrangements with physicians will not require the physician to refer patients to HHC or compensate the physician, directly or indirectly, for the volume or value of referrals generated by the physician.

All contracts, leases, and other financial relationships with providers with whom HHC has a referral relationship will be reviewed to ensure compliance with the federal and state Anti-Kickback and Stark Laws, and compliance with any applicable Safe Harbor or exception under those laws.

All personnel must strive to avoid even the appearance of impropriety, and must never act in a dishonest or misleading manner when dealing with others, both within and outside HHC.

### 340B Pharmacy Program

HHC's mission to serve its patients includes participation in the federal 340B Pharmacy Program. The Program is a safety-net to complement medical services for those in need of assistance. It provides individuals an option to purchase needed medications at significant discounts.

HHC has a separate set of policies and protocols to ensure program integrity.

As outlined in the Federal Register/Vol.75, No.43, March 5, 2010, "use of a contract pharmacy arrangement ... does not lessen [Hometown's] duty to ensure that the 340B program is being administered in compliance with the statute and HRSA guidelines. [Hometown] has, and continues to bear, full responsibility and accountability for compliance with all requirements to prevent diversion of covered drugs ..."

### Grants

HHC receives grants from government agencies, private industry, and various philanthropies. Grants must be subject to adequate safeguards to ensure that an appearance of impropriety, or actual impropriety, is not created. HHC must always be a good steward of any resources.

The receipt and use of all grant money must be pre-approved by senior management. As part of this pre-approval process, the appropriateness of the proposed project will be reviewed, and a system of tracking the use and allocation of the grant money will be put into place. This system will ensure money is used in conformity with the requirements of the grant and in a manner consistent with HHC policies, the needs of patient-consumers, and the scope of an individual's employment with HHC.

The receipt, or continued receipt, of the grant money must occur under conditions which do not create an appearance that the judgment of HHC personnel will be adversely affected, so as to place their own interest, or that of an outside concern, above that of HHC and its patients.

Grant money should not be accepted in return for the promise or expectation that HHC or anyone affiliated with it will purchase specific services or supplies from a particular company. HHC does not accept compensation in any form as an inducement to purchase products or services. Even the appearance that a grant is accepted for the purpose to purchase a specific service or product must be avoided.

If a grant is provided in order to test, develop, or use equipment or supplies from a particular manufacturer or supplier, the terms and conditions of that grant will be subjected to close scrutiny during the pre-approval process.

Any subsequent purchase of such equipment or supplies must also be subjected to close review to ensure the judgment of HHC personnel involved with the grant has not been compromised and the purchase is otherwise in the best interest of HHC and its patients. In such instances, those personnel directly involved in the receipt and use of the grant money will take no part in the final determination as to the proposed purchase.

**9) Urging patients, employees, volunteers, and Board Members to report illegal or unethical conduct.**

*Responsibility of Employees and Board Members*

All employees and Board Members are expected to comply and be familiar with all federal and state laws, rules, and regulations that govern their job within HHC. They are also expected to comply with the standards set forth in the Code of Conduct and with any applicable departmental compliance protocols. Strict compliance with these legal and compliance standards is a condition of employment, and violation of any of these standards of conduct will result in discipline being imposed, including termination.

*Responsibilities of Department Heads, Supervisors and Managers*

All department heads, supervisors and managers have the responsibility to help create and maintain a work environment in which ethical concerns can be raised and openly discussed. They are also responsible to ensure that the personnel they supervise understand the importance of this Code of Conduct and the compliance program; that these personnel are aware of its provisions and of the procedures for reporting suspected unlawful activity; and that all personnel are protected from retaliation if they come forward with information about suspected wrongdoing.

*Government Inquiries*

While personnel may speak voluntarily with government agents, it is recommended that, before doing so, they contact their supervisors and the Corporate Ethics and Compliance Officer first. In no event,

however, may any personnel respond to a request to disclose HHC documents or privileged information without first speaking with their supervisor.

As a general matter, any personnel who receive a governmental request for information, a subpoena, or any other inquiry or legal document regarding HHC's business should notify his or her supervisor before attempting to make a reply. The supervisor should then contact the Corporate Ethics and Compliance Officer, who will notify legal counsel if necessary.

If a response is given to a request for information from the government regulatory agencies, the response must be accurate and complete. It is HHC's policy to comply with the law and to cooperate with reasonable demands made during the course of a legitimate governmental investigation or inquiry.

#### Boxes and Corporate Compliance Hotline

Locked compliance boxes are available at the Schenectady and Amsterdam centers and a 24/7 reporting hotline (\*67-518- 688-3460) are among the ways those working for or affiliated with HHC can anonymously report a compliance concern. They have been established to raise questions directly with the Corporate Ethics and Compliance Officer and to report possible violations, ask questions or raise compliance concerns.

Only the Corporate Ethics and Compliance Officer has access to both the hotline and locked boxes. The internal extension for Corporate Ethics and Compliance Officer is 4195.

#### **10) Protecting anyone from retaliation when reporting wrongful conduct.**

Retaliation in any form against an individual who in good faith reports possible unethical or illegal conduct is strictly prohibited and is itself, a serious violation of this Code.

*It is against the law for anyone to harass or retaliate against you for being proactive and reporting a potential problem.* Acts of retaliation against employees should be reported to the Corporate Ethics and Compliance Officer immediately.

**END**

## Appendix B



### Conflict of Interest Disclosure Statement

## Conflict of Interest Disclosure Statement

*This is a sample and is likely to change each year*

I \_\_\_\_\_ (NAME), \_\_\_\_\_ (TITLE) at Hometown Health Centers (HHC), understand my duty and responsibility to annually fill out a Conflict of Interest Disclosure Statement (COIS) as determined by the Ethics and Compliance Officer. I also must bring any potential conflicts to the attention of the Ethics and Compliance Officer when they may arise during the year.

Conflicts *may occur* when a person affiliated with HHC benefits directly or indirectly from an outside source due to my employment. A benefit need not be detrimental to be a conflict of interest.

This can include matters involving leased equipment, purchase of supplies or services, business referrals in some circumstances, or receiving a benefit from real estate transactions.

Specific examples of conflicts include, but are not limited to:

- Serving on a board of another organization that does or could compete with HHC.
- An immediate family member or person of close relation who serves on the board of an organization or works for one whose mission is contrary to HHC.
- A financial interest by an employee, his or her family, or any business entity currently affiliated with him or her doing or wanting to do business with HHC. This could include, but not be limited to, rental agreement, financial services, investment interest, contracted services with HHC, or referring business acquaintances to Hometown that could be perceived as a quid pro quo.
- Using HHC resources to help with a business or financial opportunity that directly or indirectly benefits the employee or close family members.
- Receipt of gifts like meals, gift cards, or tickets to a concert or sports event, regardless of value, that could be perceived as an attempt to influence an employee in his or her HHC capacity.

Accepting gifts worth more than a small, nominal value such as a marketing pen or key chain, are generally prohibited.

**Please Answer the Following:**

1. Identify all business or organizations, including non-profits, where you or a family member work or serve in a fiduciary role (e.g. officer, director, committee member, elected or appointed official), *if the organization's interests may compete or otherwise be in conflict with the mission or interests of HHC. If none exist type N/A (Not Applicable).*
2. Identify (please specify how) the individual(s) with whom you may be related, done business with, been contracted by, hold an investment interest with, that have been referred to HHC where a possible conflict could have arisen due to a perceived quid pro quo relationship (*If not related to anyone type N/A*).
3. Please list any personal or business interests, activities, or relationships involving you, another employee, or family member that could compromise, or appear to compromise, your duty, loyalty, or objectivity during your employment with HHC. (*If none exist type N/A*).
4. Are you aware of any HHC contractor, consultant, or organization seeking to do business with HHC who has given you or a family member a gift? *Answer Yes or No.* If Yes, please explain in detail.
5. Are you barred, excluded, under investigation, or otherwise ineligible to participate in a state or federal government program like Medicaid? *If Yes, please explain in detail using additional sheets, if necessary.*
6. Have you ever been sanctioned for or convicted of a criminal offense regarding the provision of healthcare services? If Yes, please explain in detail using additional sheets, if necessary, including but not limited to any mandatory reporting list you may be on.
7. Have you ever been convicted of a criminal offense or investigated for endangering the welfare of a child? If Yes, please explain in detail using additional sheets, if necessary.

I \_\_\_\_\_ (Print Name) affirm that I have fully and honestly answered this Statement, and have disclosed all or do not have any *actual, potential, or perceived* conflicts. I understand it is my responsibility to keep the Ethics and Compliance Officer apprised of any actual, potential, or perceived conflicts that may arise at any time during my affiliation with HHC and assist the Ethics and Compliance Officer with any review or investigation.

I understand HHC is a tax-exempt organization and to maintain this federal status it must engage primarily in charitable activities for tax-exempt purposes. I will maintain confidentiality on all sensitive, personnel, or proprietary matters relating to HHC or its affiliates.

Furthermore, by providing *an actual or typed/electronic signature* to this Survey, I certify my answers are correct, complete, and truthful. I understand by providing incorrect, incomplete, or untruthful information may result in my immediate termination from the Board. I also certify I have not edited or changed the content of this document other than making allowances for spacing where needed.

\_\_\_\_\_  
(type or sign)

Signature

\_\_\_\_\_  
Date

**Appendix C**  
**COMPLIANCE TRAINING AGENDA for**  
**COMPLIANCE TRAINING AGENDA**  
**For**  
**Fafner Parsifal – Wednesday, 3 January 2018**  
**Training Conducted By**  
**Paul Jesepe, JD, MPS, MA – Chief Ethics and Compliance Officer, Ext. 4168**

- A. What is Ethics, Compliance, Code of Conduct?
- Ethics is values/culture/philosophy; Compliance is obeying laws and regulation;
  - Code of Conduct speaks to specific behaviors, though is not a comprehensive list.
  - Federal Laws (False Claims Act, Anti-Kickback Statute)/NYS Social Services Law Sec. 363-d, subdivision 1  
Saving money, improving care, and identifying fraud, waste, and abuse.
  - OMIG, HHS, NYS Compliance Assessment Form
- B. Why Must Compliance Be Enforced? Compliance must be enforced to protect patient healthcare, comply with state and federal laws and regulations, and identify and stop fraud, waste and abuse.
- C. 8 Parts to a Good Compliance Program – NYS Social Services Law Sec. 363-d, Sub 2 & NYCRR Sec. 521.3(c)
1. Written Policies and Procedures – Code of Conduct/Ethics – **AVAILABLE ONLINE on ADP site**
- ✓ All employees AND board members must comply to it
  - ✓ Honesty and lawful conduct
  - ✓ Billing and Coding – bill only for actual services consistent with accepted standards of medical care – documentation, no default to a billing code, no bill submitted without documentation, scope of service must be clear, never a misrepresentation of charges,
  - ✓ Highest quality product/service through competitive bidding
  - ✓ Gifts, payments, honorarium
  - ✓ Social media
  - ✓ Senior Management approves grants and grants must always be used for intended purpose in keeping with the award
  - ✓ Marketing of HHC is based on quality of care and NEVER disparaging another organization or facility
  - ✓ HHC NEVER pays directly or indirectly for a referral and no employee may accept one
  - ✓ Contracts, leases, with physicians based on fair market value, not on volume or value of referrals
  - ✓ Contractors must comply with HHC's compliance
  - ✓ Conflict of interest – if you or family or friends benefit from a decision made then it's a conflict – all conflicts must be disclosed.
  - ✓ Confidential info – not leaving office, following email security, don't leave info on copiers
  - ...
  - ✓ Government inquiry – speak with your supervisor or the Compliance Officer
  - ✓ Duties of Directors, Managers, Supervisors
  - ✓ Investigations/protocols – corrective actions
  - ✓ Training

- ✓ Use of assets
- ✓ Sexual harassment
- ✓ Equal Employment Opportunity – gender, creed, color age, disability, national origin, marital status, veteran/military status, religion, sexual orientation, or genetic information.

2. Designation of Compliance Officer – Vested with Responsibility
3. Training and Education – internal, external –
4. Communication Lines to the Compliance Officer/Function
5. Disciplinary Policies
6. Identification of Compliance Risk Areas and Non-Compliance
7. Responding to Compliance Issues
8. Policy of Non-Intimidation and Non-Retaliation – **OMIG has 800 numbers at State and Federal level if an organization doesn't protect you.** They are available on their websites.

D. Compliance Program oversight includes:

- Billing/Payments
- Credentialing
- Mandatory reporting
- All vendor and contractors
- Medical necessity and quality of care
- Board and Senior Management Governance
- Other risk areas that are or should with due diligence be identified by Hometown Health Centers

E. HIPAA (Health Insurance Portability and Accountability Act) & Documentation

- *NEVER use a personal email address to gather or forward PHI (Protected Health Information).*
- *NEVER look at friend, neighbor, or family member's healthcare information without written permission on file AND authorization from a provider. NEVER discuss with anyone who receives care here. You could be fired for doing so. **What happens at Hometown stays at Hometown.***

*Other HIPPA or internal policy breaches may include:*

- *Phishing/Ransomware*
- *Looking at your own healthcare information;*
- *Looking at a co-worker's health information or someone connected to them if a patient at Hometown*
- *Texting;*
- *Leaving PHI on the copier;*
- *Failing to lock a computer screen;*
- *Leaving voice messages that are too detailed disclosing PHI;*
- *Talking loudly in exam rooms or at the front desk; and*
- *Taking selfies, videos, or photos of staff, patients, or computer screens (or other things at Hometown).*

F. Your Role/What to Do if you Suspect Fraud, Waste, Violations of the Corporate Compliance

- Talk with **your Supervisor**; Talk with the **Compliance Officer Ext. 4168**; or
- Call the **Anonymous 24/7 Hotline \*67 518-688-3460 (external), Ext. 4195 (internal), Locked Compliance Boxes in in Schenectady in the corridor heading toward the breakroom once you pass dental and at the base of the public stairs after you pass the elevator. There is also one in the Amsterdam facility in the locker room. See something? Say something!**

**G. LOCKED NOTES – Providers MUST LOCK notes in a timely manner!**

Documents provided, or given access to, or made aware of:

- Code of Conduct/Stark Law/Anti-Kickback
- Values & Mission Statement/ Risk Assessment Template
- Conflict of Interest Disclosure Statement
- Compliance Self-Assessment Form (NYS – OMIG)
- Compliance Manual, Compliance Brochure, Compliance Newsletter

I, \_\_\_\_\_ (print name), acknowledge attendance at this compliance training and received the above referenced documents or have been given access to them either from Human Resources or directly from the Chief Ethics and Compliance Officer. I will keep a copy of this agenda. I understand it is my responsibility to carefully read or re-read the documents to better understand how ethics and compliance impacts me and Hometown Health Centers. Finally, I will abide by the Code of Conduct at all times and although I have filled out a Conflict of Interest Survey Statement, I will immediately notify my supervisor and the Chief Ethics and Compliance Officer of any changes or potential conflicts.

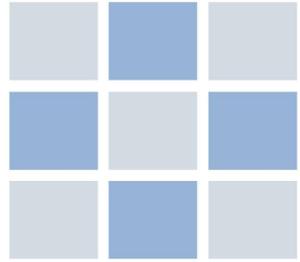
\_\_\_\_\_  
Attendee

\_\_\_\_\_  
Date

**Appendix D**

**Exit Interview Form**

Hometown  
Health  
Centers



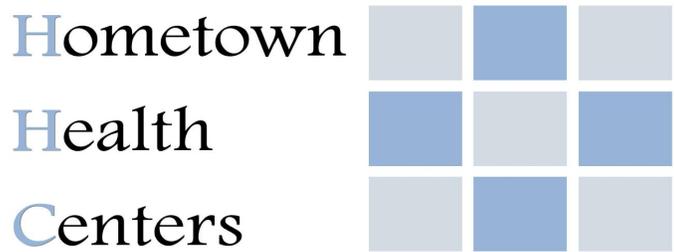
I \_\_\_\_\_ (print name), former \_\_\_\_\_ (print title) met with the Corporate Ethics and Compliance Officer as part of Hometown Health’s exit interview process and was given an opportunity to share and discuss any ethical, legal, regulatory, or overall compliance related issues. This included, but was not limited to, any cases of intimidation or retaliation I may have personally experienced or what I may have witnessed.

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Signature

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Date



**Corporate Ethics and Compliance Manual  
Acknowledgement Form**

I, \_\_\_\_\_ (print name), acknowledge that I have received, read, and understand Hometown Health’s *Corporate Ethics and Compliance Manual*. I understand it includes the *Code of Conduct* regarding ethical behavior in the work place and also outside the workplace that may include, but not be limited to, use of social media. **All staff and Members of the Board are bound by the Manual.**

I will comply with the standards set forth in the Manual and any amendments brought to my attention. Understanding Hometown’s Compliance Program is my responsibility as part of my employment or association with the organization.

I will report any potential conflict of interest or when I perceive waste or fraud to the Ethics and Compliance Officer (518-370-1441), by using the anonymous 24 hour hotline (\*67-518-688-3460), or leaving an anonymous note in a locked compliance box in Amsterdam or Schenectady.

I understand Corporate Ethics and Compliance is fundamental to meeting state and federal requirements. In addition, it is my responsibility to understand and discuss with my supervisor how these requirements may impact my job. If I’m a Board Member, I will discuss compliance with the Chair, the Board Compliance Committee, or directly with Hometown’s Ethics and Compliance Officer.

I also will read any material distributed by the Corporate Ethics and Compliance Officer including, but not limited to, email, newsletters, or training materials.

I acknowledge violation of Hometown’s Corporate Ethics and Compliance Manual or any policy or procedure is grounds for corrective action, up to and including discharge from employment or forced resignation as a Board Member.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Position

\_\_\_\_\_  
Date